



December 30, 1983

OFFICE OF THE CITY MANAGER
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The Honorable Mayor and
Board of City Commissioners
City of Wichita
Wichita, Kansas

Dear Commissioners:

This document contains the 1984 operating budget for the City of Wichita. The operating budget is the administrative document utilized to carry out policy decisions you made during midyear budget adjustments and throughout the summer 1983 budget hearings.

The budget as adopted requires property taxes \$6,793,000 below the state mandated property tax limit, which further demonstrates this city's commitment to apply maximum productivity and efficiency techniques and still furnish essential services to support the needs of the people of Wichita.

Faced with a \$13 million decrease in the assessed valuation base which resulted from additional personal property exemptions, the adoption of a budget requiring a mill levy rate identical to last year's can be considered a significant achievement by the governing body. Had the City experienced the normal percentage growth in assessed valuation the mill levy required to support this adopted program of service would have been lowered to approximately 37 mills or 1.5 mills below last year's requirement.

While the total mill levy for all taxing funds is level with 1983, the operating taxing funds--those that finance major service delivery functions like police and fire, health, recreation, libraries and transportation--show significant decreases, namely:

- a mill levy decrease of 3.159 mills,
- a property tax reduction of \$3,150,000,
- an expenditure budget \$1,719,000 below the 1983 level,
- a reduction of 122 full-time, locally funded positions.

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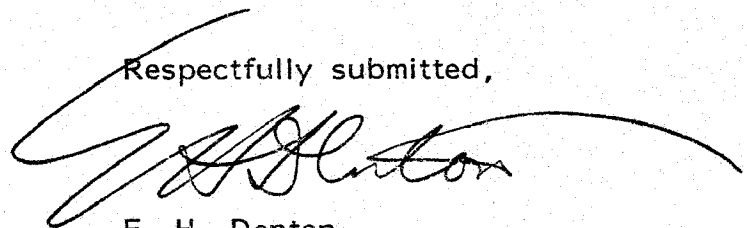
This achievement has been possible because of the governing body's willingness to pursue 1983 midyear corrective action; contracting with the private sector to perform certain engineering functions; and, the concerted effort to improve lines of communications and more meaningful cooperation with County government resulting in a consolidated data processing operation.

The passage by the 1983 State Legislature of the additional fuel tax will enable the City in 1984 to discontinue subsidizing street activities from the General Ad Valorem Tax funds. The effect of the increased fuel tax revenue is to place the burden of street expenditures on a user fee concept as opposed to a city-at-large property tax subsidy.

The mill levy and property tax requirement for Debt Service continues to require a significant share of the City's total resources. Since this fund represents an investment in the future, the City must continue to pursue a local sales tax for the purpose of developing a "pay-as-you-go" program to eliminate high interest payments and continued reliance on the property tax. Revenues generated from a sales tax could be dedicated fifty percent for capital improvement and fifty percent to further reduce property taxes.

With the adoption of the program of service presented in this manual, the challenges are clear. The City will be expected to continue meeting basic service needs of the people and supporting a vibrant, growing economy. At the same time, the City will be working to control the cost of local government by striving for a higher productivity level without increasing personnel.

Respectfully submitted,



E. H. Denton
City Manager

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